GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4259
ANSWERED ON:04.05.2007
CHANGE OVER FROM CPF TO PENSION SCHEME
Bhargav Shri Girdhari Lal

Will the Minister of FINANCE be pleased to state:

(a) whether some employees under the Central Government and bodies governed and financed by the Central Government like Kendriya Vidyalyas, still continue under Central Provident Fund (CPF) Scheme and are thus deprived of Pension Scheme;

(b) if so, whether these employees who had opted for CPF Scheme as on January 01,1986 are suffering greatly because of huge disparity between Pension and CPF Scheme due to changed circumstances beyond their control over the last twenty one years;

(c) if so, whether the Government would consider to give them one more chance to change over from CPF to Pension Scheme in order to minimize their sufferings; and

(d) if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) While some employees under the Central Government and bodies governed and financed by the Central Government still continue under Contributory Provident Fund (CPF) scheme, the employees of Kendriya Vidyalayas are covered by CCS (Pension) Rules, 1972 scheme.

(b), (c) & (d) The IVth Central Pay Commission had recommended that all CPF beneficiaries in service on 1.1.1986, should be deemed to have come over to the pension scheme on that date unless they specifically opt to continue under the CPF Scheme. Thereafter, Department of Pension issued an OM dt. 1st May, 1987 and options under this OM were to be exercised by 30th September, 1987. Some employees opted to continue with the CPF Scheme. There is no move to offer any further chance to change over from CPF to Pension Scheme. The cost of introduction of pension scheme is much higher than the CPF Scheme. Further, in view of huge pension liability, New Pension Scheme has been introduced in the Central Government/autonomous bodies w.e.f. 1.1.2004 and no rationale exists for allowing change over to Pension Scheme in any autonomous organization at this stage.